

**Joint Meeting of the Council of Governors  
and Board of Directors  
Thursday 20<sup>th</sup> July 2017**

<b>Present:</b>	Tim Melville-Ross CBE	Chairman
	John Bootes	Lead Governor
	Stuart Maxwell	Public Governor
	Ruth Martin	Public Governor
	Julia Bennett	Public Governor
	Paul Ashton	Public Governor
	Ayse Ahmet	Public Governor
	Shuja Shaikh	Public Governor
	Dr Coral Jones	Public Governor
	Hazel McKenzie	Public Governor
	Helena Charles	Public Governor
	Danny Turton	Public Governor
	Siva Anandaciva	Public Governor
	Chris Mullett	Staff Governor
	Alun Myers	Staff Governor
	Hilda Walsh	Staff Governor
	Suzanne Levy	Staff Governor
	Lisa Reynolds	Appointed Governor
	Dr Mark Rickets	Appointed Governor
	Ben Hayhurst	Appointed Governor
	Tracey Fletcher	Chief Executive
	Jonathan Wilson	Director of Finance
	Daniel Waldron	Director of Organisation Transformation
	Polly Weitzman	Non-Executive Director
	Susan Osborne	Non-Executive Director

**In Attendance:**

Sam Armstrong	Company Secretary and Head of Corporate Governance (minutes)
---------------	--

Two members of the public observed the meeting.

**1.0 Welcome and Introduction**

The Chairman opened the meeting and welcomed all present.

**2.0 Apologies for absence**

There were apologies received from:

Saleem Siddequi	Public Governor
Wayne Head	Public Governor

Helen Cugnoni  
Martin Kuper  
Sheila Adam  
Dylan Jones  
Sir John Gieve  
Jude Williams  
Vanni Treves

Staff Governor  
Medical Director  
Chief Nurse & Director of Governance  
Chief Operating Officer  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

### **3.0 Declaration of interests regarding items on the agenda**

It was noted that Coral Jones was recently elected as chair of Hackney South and Shoreditch Labour Party.

### **4.0 Minutes of the previous meeting and matters arising**

The minutes of the Council of Governors meeting from 11<sup>th</sup> May were agreed as a correct record.

As a matter arising it was noted that the Children and Young People's Peer Review had been circulated to the governors.

### **5.0 Chief Executive's Report**

The governors received the report for noting.

The CQC had conducted an unannounced inspection visit to Mary Seacole Nursing Home. It was a challenging inspection as it coincided with the annual leave of the home manager and divisional head of nursing, however the team responded extremely well. The CQC raised no concerns in its verbal feedback and the Trust awaited the draft report. The Trust had recently received a 'good' rating for its community services from the CQC.

The Trust, as all trusts were recently required to do, has been reviewing its estate for fire resilience, and has submitted the required information to NHS Improvement. The work undertaken to improve the neonatal service was due to be completed later in the year, and it was thought that the Trust estate was well prepared for any potential fire.

The delayed transfer of care peer review had not yet been published. In response to a question, the chief executive stated that the Trust was working with the local authority to improve the patient discharge process and to gain further clarity about where patients could be discharged to in anticipation of leaving hospital, rather than waiting to do so once they are ready to be discharged. In response to a question, the chief executive assured the governors that clinicians do as much as they can to ensure the needs of the patient were met.

The Trust was using recent staff survey data to improve its managing of violence and aggression against staff policy and guidance. It was suggested that root cause analysis be used to determine what was behind violent acts against staff. The case of a regular patient who has been threatening towards staff was raised. In response, the chief executive advised that the staff had received support in relation to this, including her visit to them after the last incident. She reminded the governors that a red card system was in place for such patients. The case of a patient who received a red card, which was thought to be unfairly applied, was raised by a governor. In response, the chief executive pointed out that red cards could only be authorised by her or an executive director, in her absence. A staff governor added that staff were trained in conflict resolution. In response to a question the chief executive advised that outsourced services monitored their own staff and any issues in relation to violence; the director of finance added that the Trust

conducted quarterly meetings with outsourced providers and addressed issues to ensure they were managed adequately. To a follow up question, he added that it was expected that such issues would be brought forward through the provider's processes and that the Trust was not aware of any incidents against outsourced staff. To another question, the chief executive stated that the Trust had a service contract with ISS and worked to ensure they delivered on their obligations.

## **6.0 Quality Account External Audit Report**

The governors received the external auditors report on the Trust's Quality Account.

It was noted that the external auditors had been invited to attend a Council of Governors meeting and that they would attend the next meeting to take any questions, as well as to discuss their work plan for the year. The qualifications made in the report were noted.

In response to a question, the Chair of the Audit Committee stated that they were content with the work of the external auditors and the results of their report. In response to a question, he explained the qualification related to RTT, which was due to some occasions where the monthly report was, due to month-end being on a weekend, run and included in the start of the subsequent month. This process had now been rectified.

## **7.0 Annual Report**

The governors received the annual report and accounts 2016/17, which was circulated just before the meeting.

## **8.0 Trust CIP Update**

The governors received a presentation on the Trust CIP.

It was noted that the Trust was required to achieve 4.7% in efficiencies in 2017/18, which was consistent with other health providers. The total CIP target for the year was £13.1m. NHSI required trusts to achieve their CIP targets to be eligible for their agreed sustainability and transformation funding (STF), regardless of success on the A&E standard. In response to a question the director of finance advised that the Trust's STF was £6.4m.

The governors were advised of the process for identifying savings and the governance arrangements, which included quality assessment to ensure quality was protected when making any efficiencies, as well as regular meetings to monitor CIP performances.

The plan was set for savings to be increased over the course of the year. The Trust was expected to save £1.4 per month in quarter four compared to £0.5m per month in quarter one. Governors were advised of the current performance of CIP, including risk profile of expected savings. Major schemes for the year included theatre utilisation, and use of community sites. The valuation of the Homerton site, and reduction of office accommodation was expected to yield significant savings.

In response to a question, the finance director reiterated the review process to ensure quality assessment was undertaken before a CIP scheme was approved. In response to a question, he advised that there was some possibility of a reduction in headcount, however the Trust would redeploy staff as much as possible. He added that most efficiencies would not result in staff reductions. In response to a question, the director of finance stated that ideally there would be more CIP schemes identified and that presently there was not enough to provide backup for schemes that didn't succeed. In response to a question, he advised that STPs had a part to play in achieving collective savings across the sector; the Trust could either sign up to the STP and control targets and be part of a bigger voice or left in isolation and lose its STF. The director of finance provided examples of some of the CIP schemes the Trust was pursuing.

In response to a question, it was agreed to present some examples of transformational projects to the governors. In response to a question, the director of finance provided background on financial controls utilised by the NHS and added that the financial freedoms enjoyed by foundation trusts in the past had largely been eroded. It was added that once a trust was signed up to Agenda for Change, which the Trust was, it was difficult to leave it. In response to a question it was pointed out that the London weighting was there to mitigate against the higher costs associated with being located in London. In response to a question the director of finance stated the Trust was reviewing its estate to identify potential consolidations.

**Action: present examples of transformational projects to a future meeting of the Council of Governors (DW, Oct 2017).**

In response to a question, the director of finance reiterated that CIP was reviewed monthly and quality concerns would be identified and dealt with appropriately. To a follow up question, he confirmed the Trust had already accounted for the £6.4m STF, which was mostly a cash resource. It was pointed out that savings needed to be achieved as early as possible to realise savings in-year. A governor expressed concern over possible effects to quality of savings. In response, it was noted that the Trust had processes in place to ensure quality was not adversely affected and that it treated quality as paramount. In response to a question, the Chair of the Audit Committee pointed out that efficiencies were often achieved through new environmental changes such as technology advances and the fact that future savings could be made was not an indication that money was wasted in the past. In response to a question, it was thought that the STP could assist with achieving savings, and the Trust would look to see how it could contribute to overall savings within it.

## **9.0 Sustainability and Transformation Plan (STP) Update**

The governors received a presentation on the STP.

The governors were introduced to the accountable care system and the four big issues and priorities for the STP. It was noted that this was complex work that involved many different organisations. The driving force was how to do things better with the funding available. The governors were provided with the four goals of the STP: healthy and independent local people; improving services; right team, right tech, and right place; and well run partnership. These were now being delivered and there were many enabling projects around digital advances and improved estates.

The governance structure was presented and it was noted that the control totals were shared by the STP. There was a current gap financial gap across the STP of £130m. It was pointed out that allocations to organisations with STF was then tallied to a single STP control total. It was pointed out by the chairman that the Trust would not bail out those organisations that couldn't deliver their control totals. In response to a question, the director of organisational transformation pointed out that the STP partnership agreement would be better served as a memorandum of understanding; the Board also had concerns with some of the wording, and had written a letter to the STP outlining their concerns. It was added that although the Trust signed the STP partnership agreement, it was not a legally binding document, however it did keep the Trust within the process.

Concern was expressed over the possibility of commissioners merging their accountable officer roles into one. In response, the chief executive pointed out that the City and Hackney CCG had been very supportive of the Trust, and it was important that the Trust was able to maintain its position. In response to a follow up question, she advised that the Hackney accountability care system hadn't yet been defined; some funding would

come from outside Hackney, as well as NHS England. The director of finance added that payment by results remained, however this was expected to change in due course. In response to a question, it was pointed out that trusts that refused to sign up to the STP would likely face financial penalties.

### **10.0 Annual Members Meeting (AMM) Notice**

The governors received the notice of the annual members meeting, which provided the order to go ahead with the meeting.

It was reported that Locomotor and Orthopaedic services had been organised to present at the AMM. It was suggested that a presentation on the STP would be better, which was discussed. It was pointed out that the STP was not advanced enough to present on.

### **11.0 Audit Committee Report**

The governors received the paper for noting.

It was highlighted that the Trust had been provided with a clean bill of health for its accounts and value for money, by the external auditor.

In response to a question, the Chair of the Audit Committee provided further details of the internal audits that received partial assurance. In response to a question, he pointed out that the Department of Health had increased requirements to manage the treatment and charging of overseas patients not entitled to NHS care.

### **12.0 Open Forum**

Governors raised the following point:

It was noted that the Trust had appointed a Catholic chaplain recently. The chaplaincy team appeared to work well together and provided a generic approach to their support of patients and visitors.

It was pointed out that the Trust was in the top 10% for its performance related to predicted deaths, with a lower level of deaths than would be expected.

Governors congratulated the Locomotor Service on its recent winning of the HSJ Value in Healthcare Award 2017 for Improving the Value of Diagnostic Services.

It was pointed out that the Trust's pathology had been given the highest accreditation. In response to a question, the chief executive advised that the option appraisal and case development for the future provision of the pathology function was still ongoing. A decision on the best route forward was expected to come from the current work. In response to a follow up point regarding the perception of the development for pathology on its staff, the chief executive stated she would be happy to meet again with the staff.

In response to a question, the chief executive stated that the Trust's emergency planning and business continuity plans were updated regularly and reviewed annually. There is also an annual exercise and 'gold' training had occurred, recently.

The lead governor thanked the company secretary on behalf of governors for his service to them over the last three years and wished him well for his new role.

### **13.0 Questions from Members of the Public**

There were no questions from members of the public.

### **14.0 Re-Appointment of Non-Executive Director (Governors Only)**

The chairman presented a summary of the recommendation from the Nominations Committee, which was to reappoint Martin Smith for a second three-year term as a non-executive director.

The Council of Governors reappointed Martin Smith for a second three-year term as a non-executive director.

The chairman introduced an idea for his succession, which included the possibility of extending a non-executive director's second term by a year. It was noted that no decision was needed at this point. The Nominations Committee would meet again soon and put a proposal to the Council of Governors in due course.

The governors were also briefed on NExT and possible activities the Trust could undertake to increase the diversity of the members of its Board. The chairman also advised that the Board would soon share the well-led governance review with them, however this was a confidential report and would not be for further sharing beyond the governors.

The meeting closed at 7.45 p.m.